



# Cafeteria Plan Management

## INTRODUCTION

The founding cornerstone of Flexible Benefit Service Corporation (Flex) is the administration of Cafeteria Plans. Through Flex125 Cafeteria Plan Management, we offer various funding and benefit options, as well as an array of tools and resources that seamlessly integrate the Cafeteria Plan experience for any company.

## BENEFIT OPTIONS

- Flexible Spending Account (FSA)
- Dependent Care Spending Account (DCSA)
- Premium Only Plan (POP)
- Full Flex Plan

## FLEX125 SERVICES

**DESIGN EXPERTISE**

- Strategic Planning
- Plan Compliance

**EDUCATION & ENROLLMENT**

- Educational Materials
- Decision Support Tools
- Enrollment Meetings

### FIRST CLASS SERVICE

- Customer Service Team
- Direct Access

## FLEX125 ADVANTAGES

- Industry expertise
- Streamlined business processes
- Flexible plan options
- Integrated technology
- Simple tools and resources
- Experienced support staff
- Online access 24/7
- Customized reporting capabilities

**WEB ACCESS**

- [flexiblebenefit.com](http://flexiblebenefit.com)
- [myFlexInfo.com](http://myFlexInfo.com)

**SIMPLE TRANSACTIONS**

- CrossTech™
- Direct Deposits
- mySourceCard Debit Card™

## ABOUT FLEX

Founded in 1988, Flexible Benefit Service Corporation (Flex) is a wholesale insurance firm and benefits administrator. Headquartered in Rosemont, Illinois, we work directly with insurance brokers and offer a deep understanding of the individual and group health insurance markets.

Flex is committed to finding solutions for rising healthcare costs and promoting plans that offer premium relief. Through our innovative technology, strong industry relationships and superior customer service, Flex is at the forefront of the latest trends and key options in health insurance and benefits administration.

## FLEX PRODUCTS



**Flexible Benefit Service Corporation (Flex)**

10275 W. Higgins Road, Suite 500 • Rosemont, Illinois 60018

Phone: 866-472-0882 • Fax: 847-440-9100

Email: [dcinfo@flexiblebenefit.com](mailto:dcinfo@flexiblebenefit.com) • Web: [www.flexiblebenefit.com](http://www.flexiblebenefit.com)



## CAFETERIA PLAN REGULATIONS

Established by IRS Code Section 125, Cafeteria Plans enable employers and/or employees to pay for a variety of healthcare and dependent care expenses with pre-tax dollars. This includes items not paid in full or not covered by health insurance—including over-the-counter drugs, eye glasses, contact lenses, co-payments, dental care, day care and much more.



## FUNDING OPTIONS

Cafeteria Plans can be funded by the employer, employee or both. Employer funding can be implemented through the use of “Flex Credits”, which an employee uses to purchase an insurance plan. Any remaining credits can be used towards a Flexible Spending Account, Dependent Care Spending Account or other benefit plan offered under a Cafeteria Plan.

If the employee needs to contribute more money to cover the cost of the insurance selected (i.e., for family coverage), they do so through voluntary pre-taxed salary reduction. Alternatively, the plan could be set up to be financed completely through payroll deduction.

## BENEFIT OPTIONS

### *Flexible Spending Account (FSA)*

This account allows employees to plan ahead and set aside tax-free dollars for unreimbursed healthcare expenses, as defined by IRS Code Section 213(d). Employees should conservatively pre-determine what their healthcare expenses will be for the coming year. Employees are reimbursed with tax-free dollars from their account after submitting a reimbursement form, along with other required information. Participants must incur the expenses within the plan year or they forfeit the money in their account.

### *Dependent Care Spending Account (DCSA)*

This account allows employees to pay for child or elder care expenses with tax-free dollars. These expenses must be incurred while the employee is working or a full-time student, and must be for the care of a Section 125 tax dependent. Employees are reimbursed with tax-free dollars from their account after submitting a reimbursement form, along with other required information.

### *Premium Only Plan (POP)*

With this plan, the employee can pay for their portion of the group health insurance expenses on a tax-free basis. As healthcare expenses change, employees' elections can also be adjusted.

### *Full Flex Plan*

Employers can elect to incorporate all of the Flex125 benefit options—POP, FSA, DCSA—as a combination plan so that employees can choose the plans that best meet their financial and personal needs.